

ORDER 2000-12-12



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 18th day of December, 2000

Served: December 21, 2000

Essential Air Service at

**MASSENA, NEW YORK
OGDENSBURG, NEW YORK
WATERTOWN, NEW YORK**

under 49 U.S.C. 41731 *et seq.*

Docket OST-97-2842 - 4

**ORDER REQUESTING PROPOSALS
FOR ESSENTIAL AIR SERVICE**

Summary

By this order we are requesting proposals from carriers interested in providing essential air service at the Upstate New York communities of Massena, Ogdensburg and Watertown.

Background

By Order 2000-4-2, issued April 3, 2000, Mesa Airlines, Inc. (Mesa), was selected to continue providing essential air service at Massena, Ogdensburg and Watertown for an additional two-year period.¹ Subsidy was set at an annual rate of \$1,115,507 for the period October 1, 1999, through September 30, 2001, for three round trips each week, and three each weekend, between Massena, Ogdensburg and Watertown, and Pittsburgh, with 19-seat Beech 1900 aircraft.²

Even though Mesa's two-year contract will not expire until September 30, 2000, the communities have advised us of their dissatisfaction with Pittsburgh as the designated hub destination and have asked us to explore other service options. They state that the communities of Massena and Ogdensburg especially are concerned that many travelers are driving into Canada and utilizing the Ottawa and Montreal airports to initiate their air

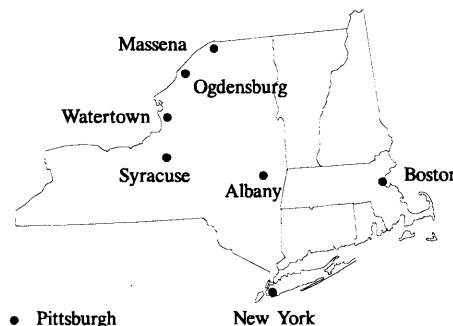
¹ Mesa operates its service at these communities as a US Airways Express air carrier.

² Mesa has been providing essential air service at Massena, Ogdensburg and Watertown since May 1994, when it replaced Chatauqua Airlines. (See Department Order 94-4-5, issued April 4, 1994.)

journeys. In addition, many Watertown passengers are driving an hour to Syracuse rather than taking Mesa to Pittsburgh.³ Also, Southwest Airlines inaugurated service at Albany on May 7, 2000, and offers low-fare jet service to Baltimore and Orlando.

Request for Proposals

In order to be responsive to the communities' wishes to explore service options to hubs other than Pittsburgh, we have decided to request proposals from all interested carriers, notwithstanding that Mesa's current contract runs through September 30, 2001.



We request that any carriers interested in providing essential air service at Massena, Ogdensburg and Watertown, file their proposals within 30 days of the service date of this order. Proposals may contemplate continued service to Pittsburgh, or any other appropriate hub destination such as, but not limited to, New York City, Syracuse, Albany, Newark or Boston. We will entertain proposals to other hubs that provide access to the national air transportation system in order to give the Department and the communities as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the communities' views on any service options we receive before making a long-term carrier selection decision. We ask that carriers submit proposals for three round trips per service day to the hub with 15-seat or larger, pressurized aircraft. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix A.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.⁴

³ A recent study of the air service needs of the Upstate New York communities concluded that only about three percent of potential travelers in the Watertown area use the local airport; the majority of the remaining travelers drive to Syracuse.

⁴ Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

Community and State Comments

The communities and the State are welcome to submit comments on the proposals at any time.⁵ Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.⁶

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁷ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

This order is issued under authority delegated in 49 CFR 1.56a(f).

⁵ Civic parties should file an original and five copies of their comments in Docket OST-97-2842. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

⁶ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁷ The regulations applicable to each of these areas are (1) 49 CFR Part 20, New Restrictions on Lobbying, Implementing title 31, United States Code, section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of 1988; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Massena, Ogdensburg and/or Watertown, New York, submit their proposals, with or without requests for subsidy, within 30 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Massena, Ogdensburg, and/or Watertown, New York, Docket OST-97-2842; ⁸
2. This docket will remain open until further Department order; and
3. We will serve a copy of this order on the mayors and airport managers of Massena, Ogdensburg and Watertown, New York, the Governor of New York, the Ogdensburg Bridge and Port authority, the New York State Department of Transportation, Mesa Airlines, and the carriers listed in Appendix B.

By:

FRANCISCO J. SANCHEZ
Assistant Secretary for Aviation
and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at
<http://dms.dot.gov>

⁸ After serving a copy of its proposal on the civic officials of Massena, Ogdensburg and/or Watertown, the State of New York, and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

**HISTORICAL ENPLANEMENTS
MASSENA, OGDENSBURG,
AND WATERTOWN, NEW YORK**

	MASSENA	OGDENSBURG	WATERTOWN
1986	3,594	3,562	4,263
1987	4,127	4,588	6,900
1988	4,553	5,046	8,428
1989	4,503	4,373	9,759
1990	4,453	3,739	8,000
1991	3,046	3,768	6,688
1992	6,944	3,279	7,331
1993	6,740	3,032	6,010
1994	6,948	3,407	5,181
1995	5,391	2,635	4,327
1996	2,679	1,033	2,132
1997	2,305	1,168	1,453
1998	4,182	1,926	3,085
1999	4,062	1,600	3,059
2000	3,356 (11 mos.)	1,308 (10 mos.)	2,290 (10 mos.)

SERVICE LIST FOR THE STATE OF NEW YORK

Acadia Air, Inc.	Northwest Airlink
Amerijet International, Inc.	Omniflight Helicopter Service, Inc.
Business Express, Inc.	Pennsylvania Aviation, Inc.
Chautauqua Airlines, Inc.	Pennsylvania Commuter Airlines, Inc.
Chester County Aviation, Inc.	Southern Jersey Airways, Inc.
Colgan Air	Spectrum Airlines, Inc.
Columbia Aviation, Inc.	Travelair, Inc.
Corporate Air, Inc.	Valley Air Service, Inc.
Delta Connection	
Executive Airlines, Inc.	
Gull Aviation, Inc.	Chester Anderson
Henson Aviation, Inc.	Ken Bannon
Horizon Air, Inc.	Sabrina Cranor
HubExpress, Inc.	Virgil de la Cruz
Hyannis Air Service, Inc.	E. B. Freeman
Jetstream International Airlines, Inc.	Edward Harahusk
Long Island Airlines	Robert Hart
Metroflight, Inc.	A. Edward Jenner
Midway Airlines, Inc.	John McFarlane
Midwest Express Airlines, Inc.	Eric Nordling
New England Airlines, Inc.	Mark Prange
New York Helicopter Corporation	John Sinisi
Northeast Express Regional Airlines, Inc.	Kevin Thomas